



Strengthening Medicare for Our Nation's Seniors

Congress is committed to protecting and strengthening the Medicare program for America's seniors. Medicare is a sacred trust with Americans and the *Patient Protection and Affordable Care Act* will ensure that trust is preserved. However, the cost of inaction is unacceptable for seniors and the Medicare program that serves them. The Medicare hospital insurance trust fund is expected to go broke in just over seven years. The *Patient Protection and Affordable Care Act* will make Medicare a stronger, more sustainable program.

Extending Medicare Solvency and Reducing Premiums Without Cutting Benefits

- ✓ The *Patient Protection and Affordable Care Act* will not cut benefits covered by the Medicare program. Instead, it increases benefits and strengthens the program to ensure Medicare's sustainability for years to come. Under the *Patient Protection and Affordable Care Act*, Medicare solvency will be extended by nine years.
- ✓ Seniors in Medicare Part B pay 25 percent of the program's costs. The *Patient Protection and Affordable Care Act* will make premiums more affordable by eliminating unnecessary federal spending, including substantial overpayments to Medicare Advantage plans.
- ✓ The *Patient Protection and Affordable Care Act* explicitly states that no reductions in Medicare guaranteed benefits will be made and that any savings generated for the Medicare program will extend Medicare solvency, reduce Medicare premiums and cost-sharing for beneficiaries, improve or expand Medicare guaranteed benefits, and preserve access to Medicare health care providers.

Decreasing Prescription Drug Costs for Seniors

- ✓ The *Patient Protection and Affordable Care Act* gives low and middle-income seniors enrolled in the Medicare prescription drug program a 50 percent discount on brand-name drugs and biologics they need to buy in the so-called "donut hole," or the gap between initial and catastrophic coverage. Today, seniors are responsible for the total cost of drugs in this gap. This new discount begins July 1, 2010 and will help seniors maintain their prescribed treatments and keep money in their pockets.
- ✓ The *Patient Protection and Affordable Care Act* will also reduce the size of the donut hole by \$500 in 2010.

Promoting Prevention and Wellness

- ✓ The *Patient Protection and Affordable Care Act* will provide seniors with free annual wellness visits under Medicare. These visits will give seniors a chance to develop personalized prevention plans with their doctors to address health conditions and other risk factors for disease, before they become difficult and costly to treat.
- ✓ And the *Patient Protection and Affordable Care Act* will eliminate out-of-pocket costs for recommended preventive care and screenings like mammograms.

Encouraging Doctors to Work Together to Improve Quality

- ✓ The *Patient Protection and Affordable Care Act* will encourage all doctors and health care providers to work together to better serve a patient's needs and reduce wasteful care like repeated tests. Health care providers will receive incentives to coordinate care across a range of health care settings – from the hospital to the home – to ensure the best health outcomes for seniors. The *Patient Protection and Affordable Care Act* will also give states incentives to create “health homes” which will coordinate care for chronically-ill seniors.
- ✓ The *Patient Protection and Affordable Care Act* will establish value-based purchasing, with incentive payments for acute care hospitals that meet certain quality performance standards.
- ✓ Incentive payments will also be provided to physicians who report quality measures, provide timely feedback on performance, and modify physician payments based on quality of care delivered.

Supporting Rural and Frontier Areas

- ✓ The *Patient Protection and Affordable Care Act* will extend Medicare provisions that protect access to inpatient, outpatient, ambulance, and lab services in rural areas.
- ✓ Funds from the Small Rural Hospital Improvement Grant Program will be used towards delivery system reforms.
- ✓ The Medicare Dependent Hospital program, to provide higher payments for small rural hospitals that have a high proportion of patients who are Medicare beneficiaries, will be extended.
- ✓ The bill includes special protections for frontier states that face particular challenges in assuring Medicare beneficiaries have access to needed health care.

Improving Medicare Advantage

- ✓ The *Patient Protection and Affordable Care Act* will reduce overpayments to Medicare Advantage by transitioning to a competitive bidding process.
- ✓ Medicare Advantage plans will receive new bonus payments for care coordination and management and for achieving high quality of care ratings.
- ✓ Medicare Advantage plans will be prohibited from charging higher cost-sharing than traditional Medicare for certain services.

Establishing a Centers for Medicare & Medicaid Services (CMS) Innovation Center

- ✓ The *Patient Protection and Affordable Care Act* will establish a CMS Innovation Center to develop and expand new patient-centered payment models to encourage evidence-based, coordinated care for Medicare, Medicaid, and the Children's Health Insurance Program (CHIP).